

EXPLORATION

De Bron-Merriespruit South

Wits Gold

Mineralisation: uranium

Location: Free State

History: In March, Turgis Consulting was appointed to complete a preliminary economic assessment or scoping study at the De Bron-Merriespruit South (DBM) project. This follows revised gold and uranium resource estimates at the DBM project released in February 2011. Turgis will focus on producing preliminary mine-design options to optimally exploit the DBM ore body.

Outlook: The Department of Mineral Resources has granted Wits Gold uranium rights over the Floriana sector of the De Bron-Merriespruit South (DBM) project.

As a result, Wits Gold now holds title to uranium over 1 897 ha of the DBM project which covers a total area of 4 024 ha.

A preliminary economic assessment of the DBM project is in progress now and it will be based mainly on the gold potential of this area.

The Department of Mineral Resources has also granted uranium rights to Wits Gold over the Beisa North Extension area immediately north of the now defunct Beisa uranium mine in the southern Free State goldfield.

The additional uranium rights are expected to supplement the uranium-gold resource previously estimated at Beisa North and reported in the company's SENS announcement on July 16 2009. Additional drilling is planned at the combined Beisa North project this year. A revised resource estimate will follow.

Commenting on the significance of additional rights, the company's chief financial officer, Derek Urquhart, says: "We are pleased with the granting of the additional uranium rights, particularly in the DBM area where we will assess the economic potential of recovering by-product uranium."

Turgis will focus on producing preliminary mine design options to optimally exploit

the DBM ore body. Emphasis will be placed on accessing the shallow high grade core at DBM in order to provide higher financial returns during the early stages of mining.

This is expected to result in a shorter capital expenditure payback period, as well as a possible higher internal rate of return over the life of mine.

Using a 6 g/t cut-off, the high grade shallow reefs, which are situated some 500 m below surface, contain an indicated resource of 9,5 Mt @ 7,9 g/t Au (2,4 Moz).

Turgis will also consider the economics of mining the indicated resource of uranium which occurs within the Leader Reef; containing 17 Mt @ 0,16 kg/t U₃O₈ (6,1 Mlb).